SECRET/NOFORN

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European Elections

We have entered an election period in Europe and concomitant uncertainties for U.S. policymaking.

The recent elections in France, Spain and Portugal have simultaneously confirmed the basic foreign policy orientation of the governments and produced some alterations that will complicate US policy:

- In France political leaders will be as preoccupied with positioning themselves for the next election--either the Presidential one in 1988 or a likely Parliamentary one before then--as with policymaking.
- In Spain the electorate did not so much vote for NATO as against the consequences of issuing a major international and domestic policy challenge to a generally popular government. But in the process of getting the Socialist rank-and-file to vote for NATO, Gonzalez made some promises--for instances on the US military presence--and some enemies, actions which will make it harder for him to govern, at least for a while.
- In Portugal the election of Soares was the best outcome the US could hope for, but the current honeymoon between Soares and Prime Minister Cavaco Silva is likely to last only until the parties of these two men are ready for another round of Parliamentary elections. Further the gradual reorientation of Portugal toward Western Europe means that we are likely to face a more demanding, and in some cases, uncooperative ally.

In January 1987 a federal election will be held in Germany and the revival of the Flick affair is a joker that could spoil the CSU/CDU/FDP's otherwise good prospects for reelection. The possibility of neither the current coalition nor the SPD garnering a majority has grown--along with the attendant risk that the Greens might become the potential swing vote in Parliament. In any event, Kohl

is likely to face

intensified infighting among his unruly lieutenants and coalition members who will be looking to the post-Kohl era.

Within the next year, elections are also possible in Italy and the UK:

In Italy the Achille Lauro affair seems to have been the catalyst for ending the unusual government stability that had

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characterized Italy for the previous two years. All Italian politicians, but especially coalition members, are now keying their moves to the possibility of an election later this year and, if not then, in 1987.

In the <u>UK</u> an election need not be held until 1988, but the governing Tories may well risk one earlier if they sense a moment where they could minimize their almost certain losses. Current trends, however, suggest that no party is likely to emerge with a majority in the next election. Further, conservative leaders will have to consider whether Mrs. Thatcher should lead them into the next election. Her loss of popularity does not make it easier for her to govern.

While all the foregoing is not likely to produce any dramatic changes in US-European relations, it does suggest that the US may be dealing with a series of weaker governments—governments less able to make decisions and more affected by political weakness on the part of other governments in Europe (for instance, a weak German Chancellor and a weaker French President would be less able to guide and help a more vulnerable Gonzalez as he tries to integrate Spain into the European community). What all this adds up to is an Atlantic Alliance that, for a while at least, will be organically weaker than it has been for the past few years.

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